

LET ME CITE A SPECIFIC EXAMPLE OF HOW THE CANADIAN ECONOMY HAS BENEFITTED THROUGH TRADE: IN 1965, BEFORE THE CONCLUSION OF THE KENNEDY ROUND, CANADA EXPORTED 20% OF ITS PRODUCTION OF MACHINERY AND EQUIPMENT. 54% OF CANADIAN REQUIREMENTS WERE SUPPLIED BY IMPORTS. IN 1980 50% OF CANADIAN PRODUCTION WAS EXPORTED AND 65% OF DOMESTIC REQUIREMENTS WERE FILLED BY IMPORTS. OVER THE LAST 15 YEARS DOMESTIC PRODUCTION OF MACHINERY AND EQUIPMENT IN CANADA, WHICH AMOUNTED TO \$8.6 BILLION IN 1980, HAS BEEN INCREASING AT ABOUT THE SAME RATE AS THE OVERALL DOMESTIC MARKET, I.E. A REAL AVERAGE ANNUAL GROWTH RATE OF ABOUT 5%. EXPORTS HAVE BEEN THE FASTEST GROWING COMPONENT IN THIS AREA WITH GROWTH OF ABOUT 8% ANNUALLY.

THIS SECTOR PROVIDES A CLEAR EXAMPLE OF HOW CANADA HAS BEEN ABLE TO ADAPT TO INTERNATIONAL COMPETITION IN A WAY WHICH HAS BROUGHT BENEFITS BOTH TO CANADIAN PRODUCERS AND USERS OF MACHINERY AND EQUIPMENT. THE RATIONALIZATION OF THIS INDUSTRY HAS MEANT INCREASED EXPORT REVENUES FOR CANADIANS AND HAS ALLOWED CANADIAN INDUSTRY TO BENEFIT FROM BEING ABLE TO USE MORE EFFICIENTLY-PRODUCED MACHINERY AND EQUIPMENT. THIS, IN TURN, OF COURSE, HAS ENHANCED THE INTERNATIONAL COMPETITIVENESS OF OTHER SECTORS OF THE CANADIAN ECONOMY.

1982 - A YEAR OF OPPORTUNITY

THIS IS A YEAR OF OPPORTUNITY AND FOR ATTENTION TO TRADE. I WOULD LIKE TO TELL YOU HOW WE INTEND TO RESPOND AND WHY.

I WILL SOON PLACE BEFORE MY CABINET COLLEAGUES TWO IMPORTANT DOCUMENTS: ONE WILL BE A MAJOR REVIEW OF CANADIAN TRADE POLICY. I BELIEVE THIS REVIEW WILL ALLOW ME TO UNDERSCORE TO THE CABINET THE KEY ROLE PLAYED BY TRADE IN THE CANADIAN ECONOMY. IT WILL PROVIDE THE BASIS FOR ANY MODIFICATIONS IN CANADIAN TRADE POLICY NEEDED TO TAKE ACCOUNT OF THE ENVIRONMENT WE FACE IN THE 1980's.

A SECOND PAPER WILL OUTLINE THE APPROACH WHICH CANADA SHOULD ADOPT AT THE GATT MINISTERIAL MEETING THIS COMING NOVEMBER. I WILL BE ENDEAVOURING IN THE WEEKS AHEAD TO ENGAGE CANADIANS IN THESE MATTERS TO PROVOKE A BROADER DISCUSSION OF THE ISSUES OF CONCERN AND THE AREAS OF POTENTIAL.

YESTERDAY IN OTTAWA, AT A FEDERAL/PROVINCIAL TRADE MINISTERS MEETING, I HAD AN OPPORTUNITY TO DISCUSS THESE ISSUES WITH MY PROVINCIAL COLLEAGUES AND TO LEARN FIRST-HAND THEIR CONCERNS, THEIR IDEAS, AND THEIR PRIORITIES ABOUT A TRADE STRATEGY WHICH WILL BENEFIT ALL CANADIANS.